

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 3646 - HB 3766

February 5, 2010

SUMMARY OF BILL: Phases out the inheritance tax over a three-year period beginning with tax year 2011 and ending with tax year 2013.

ESTIMATED FISCAL IMPACT:

**Decrease State Revenue – \$41,200,000/FY11-12
\$61,800,000/FY12-13
\$82,400,000/FY13-14 and Subsequent Years**

Assumptions:

- Given the currently authorized nine-month filing extension, and this bill first impacting the estates of decedents dying in 2011 and thereafter, the first fiscal year impacted would be FY11-12.
- The Governor's Recommended Budget Document projects inheritance tax collections for FY10-11 to be \$82,400,000.
- Inheritance tax collections remain constant in subsequent years.
- Given that this bill reduces the inheritance tax rate with two successive 50 percent increments, and then eliminates the tax in the third year, it is assumed that inheritance tax collections will decrease by proportional amounts beginning in FY11-12.
- The decreases of inheritance tax collections are estimated to be \$41,200,000 for FY11-12; \$61,800,000 for FY12-13; and \$82,400,000 for FY13-14 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

/rnc

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